

Corporate Plan

2012-13 to 2016-17

Creating value for the community through partnerships



NORTH CENTRAL
Catchment Management Authority
Connecting Rivers, Landscapes, People

Acknowledgement of Country

The North Central Catchment Management Authority acknowledges Aboriginal Traditional Owners within the catchment area, their rich culture and their spiritual connection to Country.

We also recognise and acknowledge the contribution and interests of Aboriginal people and organisations in the management of land and natural resources.

North Central Catchment Management Authority (CMA) Corporate Plan 2012-13 to 2016-17

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2012 Flood Recovery Employment Program crew members

Foreword from the Chairman and CEO

This Corporate Plan sets out the future for the North Central Catchment Management Authority's activities over the next year and our focus beyond to 2016-17.

Effective partnerships are critical to achieving our purpose of enhancing the integrity of our catchments. We are on track to deliver \$18 million of environmental investment in 2011-12, resulting in significant positive environmental outcomes.

This level of achievement is not possible without the assistance of major agency and community partnerships. The capacity to deliver so many projects has been built over the past six years through the investments made in both systems and people.

Our people remain a key asset, not only through their skills and knowledge but also extensive networks and - most importantly - their passion and commitment to delivering enduring environmental change.

Flood Recovery

2010 and 2011 saw the region transition from a 12-year drought to floods of historic magnitude. We will remain focused on flood recovery over the year, with the completion of flood management plans as our core priority. Community engagement has been critical in the development of these plans as well as strong relationships with local Council and other government agencies.

Funding to develop these flood management plans has been provided primarily by DSE's Office of Water, with contributions from the Commonwealth Government under the Natural Disaster Resilience Grants Scheme.

We are very proud of how we have gathered local community knowledge and expertise to develop practical, positive and achievable flood mitigation options in flood-affected communities. We have now finalised the Creswick Flood Mitigation and Urban Drainage Management Plan, and will complete a further six plans in 2012.

Funding provided through the Australian Government's Natural Disaster Relief and Recovery Arrangements (NDRRA) enabled us to commence repairs on 21 flood damaged water quality monitoring sites, and to start rebuilding hundreds of kilometres of fencing on 232 properties. Some 55 of these sites are now complete with the remainder due by the end of the year.

This year we will also complete vital works on 174 levee breaches and the first 24 of 144 erosion control repairs.

To complete the \$3.46 million erosion control program the remaining repairs are scheduled to be finished by September 2013.

Other funding from NDRRA and the Victorian Government will help us deliver more flood recovery programs in 2012-13 including:

- repairs to flood-damaged regional drains in the Bullock Creek Improvement Trust area, involving 172 kilometres of desilting, reinstating 20 culvert structures, and consulting with 100 landholders
- an on-going program to remove flood debris, with 74 sites completed to date at a cost of almost \$1 million
- replacement of Quambatook Weir
- mapping and assessing 373 kilometres of levees, and repairing a two-kilometre section of the Pental Island levee.

In addition \$400,000 has been received from the Australian Government's Caring for our Country initiative to undertake environmental flood recovery works.

Regional Catchment Strategy

Last year we completed a review of our Regional Catchment Strategy. This was a major undertaking involving the regional community in an intensive period of engagement around the region's most valuable natural assets.

The Regional Catchment Strategy is a six-year plan that provides direction for the natural resource management work we undertake in conjunction with our partners.

With the final 2012-18 Regional Catchment Strategy due to Government in September 2012, we are excited to be embarking on the implementation of this renewed strategy which sets a visible foundation for our work over the coming years to strengthen the links between rivers, landscapes and people in our region.

Gunbower Forest

The Gunbower Forest Environmental Watering initiative will realise significant benefits to both the environment and our farming communities and continues to be a focus over the life of this Corporate Plan.

With regulators and other measures in place to allow controlled flooding of the forest, the health of River Red Gums, native fish and other threatened plants and animals will be secured.

In partnership with the Murray-Darling Basin Authority, Victorian State Government and Goulburn-Murray Water, it is our aim to see construction commence on the large-scale flooding infrastructure works within the first year of this Corporate Plan.

FarmWater Program

The FarmWater Program is a key partnership between ourselves, Goulburn Broken Catchment Management Authority and other agencies generating a \$60 million investment in northern Victoria. The program funds on-farm infrastructure to improve irrigation efficiency and save water. This program has already directly benefited irrigators who have transferred more than eight gegalitres in water savings so far to the environment. About 47 per cent of the \$36 million in Round One funding has been spent in our region, and we look forward to covering more project works in the next funding rounds.

Business excellence and efficiency

We are now commencing our second year of measuring efficiency and benchmarking our performance under the Australian Business Excellence Framework. In this ongoing journey we will continue to improve the decision making processes we use to guide our environmental investment, as well as improve how the monitoring, evaluation and reporting cycle informs our decisions. To do this we will remain focused on effective business systems, efficient work practices and building a culture of continual improvement.

Partnerships and programs

We will continue to work in partnership with many people and organisations to deliver our schedule of programs for the coming year:

- Gunbower Forest Environmental Water Initiative
- Caring for the Campaspe River
- Loddon River Transition
- Protecting and Enhancing Priority Wetlands
- Waterwatch
- Landcare.

We acknowledge the important role played by our partners, who include the Australian and Victorian Governments and their agencies, local government, rural and urban water corporations, local communities, landholders and Landcare groups.

Our priorities and the year ahead

The North Central Catchment Management Authority's funding priorities for this Corporate Plan include:

- finalising 2010-11 flood recovery commitments - through our flood recovery program of works and the Flood and Drainage Management Plans
- protecting and enhancing Ramsar wetlands - with a focus on the Gunbower Forest Environmental Watering Initiative and our Protecting and Enhancing Priority Wetlands program
- increasing the landscape connectivity of priority natural resource management assets - through programs such as the Loddon River Transition
- increasing the capacity of communities to actively participate in natural resource management - particularly through our Landcare, Waterwatch and Indigenous engagement programs
- maintaining productive agricultural land - through projects such as FarmWater, Farming for Sustainable Soils and Healthy and Productive Irrigated Landscapes
- protecting threatened species and ecological communities - with a focus on the Caring for the Campaspe River program
- compliance with statutory obligations under the relevant Acts.

Our key tasks for the coming year are to see the Flood Mitigation Plans implemented and to continue to increase the level of catchment improvement works both we, and our many partners, deliver that will continue to improve the integrity of the place where we live.

On behalf of the Board and Executive we look forward to guiding the actions in this Corporate Plan for 2012-13 to 2016-17 and commend it to you.



David Clark
Chairman



Damian Wells
Chief Executive Officer

About the North Central CMA



Our catchment at a glance

- 13 per cent of Victoria
- 240,000 residents
- 87 per cent private land holding
- over 400 identified natural assets

Figure 1: The North Central CMA region

The North Central Catchment Management Authority (CMA) is the lead natural resource management (NRM) agency in north central Victoria, delivering programs in partnership with communities and other agencies to protect and enhance the integrity of the region's four river catchments.

The Authority creates value for communities and the environment by partnering with landholders, community groups, volunteers, agencies and research institutions to deliver the following services and responsibilities:

- **Natural Resource Management:** Sourcing funds for on-ground projects and supporting community groups, such as Landcare, to partner in the protection and enhancement of the region's catchments.

- **Identification of Regional Assets:** Over 400 natural assets have been identified through community engagement and referenced within the Regional Catchment Strategy.
- **Leading Regional Environmental Strategy and Policy:** Providing advice to government on regional catchment issues and developing the Regional Strategy for River and Wetland Health. The strategy allows for effective planning and delivery of environmental water and is critical to the health of the region's waterways.
- **Flood and Disaster Response:** Providing flood prediction advice to VicSES and coordinating flood recovery programs and funding.
- **Statutory Planning:** Providing floodplain advice and issuing permits to protect life and property and support local government, planning authorities and communities with expert data and recommendations.
- **Environmental Water Management:** Planning of the best case scenario environmental water delivery and implementing delivery.
- **Protecting and Enhancing Natural Assets:** Working with a variety of communities, agencies and partners to protect and enhance the region's natural assets, including waterways and floodplains, wetlands, soil and biodiversity.

The North Central CMA was established in 1997 under Victoria's *Catchment and Land Protection Act 1994* (CaLP Act). It also has powers and functions under the *Water Act 1989*. It is accountable to the Minister for Environment and Climate Change, the Hon. Ryan Smith MP and the Minister for Water, the Hon. Peter Walsh MP.

About the Catchment

The North Central CMA region covers about three million hectares or 13 per cent of Victoria. It is bounded by the Murray River at its northern edge, Mt Camel Range to the east and the Great Dividing Range to the south.

The region spans a number of local government areas, incorporating the Loddon Shire, Mount Alexander Shire, Central Goldfields Shire, Hepburn Shire, most of the Gannawarra Shire, City of Greater Bendigo and Campaspe Shire. The northern part of the Northern Grampians Shire, southern part of the Buloke Shire and parts of the Pyrenees Shire, City of Ballarat, Macedon Ranges Shire and Swan Hill Rural City also lie within the region.

The region has a population of over 240,000 people, concentrated in the growing regional hub of Bendigo, and townships of Echuca and Swan Hill. The southern part of the region is a popular lifestyle choice for “tree-changers” with the annual population growth projected to continue at almost 50 per cent greater than the average for regional Victoria.

The annual rainfall varies across the region from 300 millimetres (mm) in the north-west to over 1200 mm in the south-east. Temperatures to the south often fall below 1°C during the winter months while to the north regularly reaches above 40°C in summer.

The North Central CMA region is agriculturally diverse. Horticulture, dairying and dryland farming - particularly grain cropping and livestock grazing - are the main enterprises.

In the north of the region, the Loddon/Campaspe irrigation area supports dairy, mixed farming and horticulture. In the southern area, particularly near major population centres, traditional agricultural pursuits are giving way to smaller enterprises and rural living zones. While many profitable farms remain south of Bendigo, this transition is being driven by increased land amenity values, which in most cases exceed the primary production capacity of the land.

Approximately 13 per cent of the North Central CMA region is public land. The region’s rich natural assets have been reserved as regional and national parks, internationally significant wetlands, flora and fauna reserves and reference areas from the gold-mining era. The four major river catchments are the Campaspe, Loddon, Avoca, and Avon–Richardson. The Campaspe and Loddon rivers are regulated systems that drain to the Murray River, while the Avoca River flows into a series of terminal lakes and wetlands known as the Avoca Marshes. During large flood events, the Avoca may flow directly into the Murray River and then to a further series of terminal lakes. The Avon–Richardson catchment is internally drained, with most surface water flowing into Lake Buloke.

Emerging Regional Issues

Flood Recovery

After the 2010 and 2011 floods, floodplain management and community resilience are dominant issues for the entire region.

The North Central CMA’s recovery efforts over the past two years focused on the delivery of the Natural Disaster Relief and Recovery Arrangements (NDRRA) funded activities, reinstating previously completed NRM protection and enhancement projects which were damaged by the floods. The coordinated delivery of all flood recovery, flood employment and Victorian Investment Framework (VIF) projects has enabled the North Central CMA and regional partners to re-engage with community and negotiate improved environmental gains on previous works sites (such as extra riparian fencing and revegetation or wider riparian buffers).

With recovery efforts well established, the emphasis in the coming year is now on preparing plans for flood mitigation and urban drainage management. Community resilience has been tested with the repeated floods and will remain a focus for many of the communities and partner organisations across our region.

In addition \$400,000 has been received from the Australian Government’s Caring for our Country initiative to undertake environmental flood recovery works. To date \$84,000 has been distributed to six landholders and Landcare groups to repair and protect the environment. We look forward to further work in this project over the coming year, as well as continuing our practical support and planning for the future, with our communities.

Water Reform

Issues surrounding water reform continue to present significant challenges for the region and are a major focus for many activities. Finalisation of the Murray-Darling Basin Plan and irrigation modernisation and rationalisation through the Northern Victoria Irrigation Renewal Project are significant issues affecting our irrigators and communities, particularly in the north of the region.

Land use is changing rapidly as landholders adopt more flexible farming systems to manage risks associated with a variable climate, irrigation modernisation and rationalisation, water trade out of the region, Australian Government water entitlement buyback and food security. Water reform also provides potential opportunities for our rivers and wetlands through increased environmental water availability.

We remain focused on programs that invest in on-farm water use efficiency and increased agricultural productivity such as the FarmWater Program, along with environmental works and measures such as the Gunbower Forest Environmental Watering Initiative, to ensure we take advantage of opportunities afforded by these changes to enhance our environmental, social and agricultural outcomes. The North Central CMA is continuing to work closely with landholders, local government, Murray-Darling Basin Authority and partners such as DSE, DPI and Goulburn-Murray Water on these matters.

Urban Growth

Urban growth and population shift within the region remain important issues and north central Victoria continues to undergo significant transformation. Victoria's top three regional growth centres are here in our region. With population shift, demographic changes in the region's north and peri-urbanism in the south comes pressure on water resources and the natural environment. These pressures include clearing of native vegetation for increasing urbanisation, and the building of residential properties near reserve boundaries. Population change and its affect on land use places pressure on our statutory functions in protecting the environment, promoting community capacity and resilience, and maintaining productive agricultural land.

It will be critical for strong linkages between the Loddon Mallee and also Grampians Regional Growth Plans and the North Central RCS to ensure pressures on our natural environment are considered in future urban growth planning.

Form of this Corporate Plan

The Corporate Plan has been prepared in accordance with Sections 19C and 19D of the *Catchment and Land Protection Act 1994*. The plan's form complies with the required specifications of the Minister for Environment and Climate Change, the Hon. Ryan Smith MP and the Minister for Water, the Hon. Peter Walsh MP.

The Corporate Plan, together with the North Central CMA Annual Report, provides the basis for:

- planning, managing and monitoring the North Central CMA's overall performance
- reporting to the Board and stakeholders on the North Central CMA's business
- demonstrating compliance with legislative obligations under the *Catchment and Land Protection Act 1994*, *Water Act 1989*, *Freedom of Information Act 1982*, *Information Privacy Act 2000*, *Public Administration Act 2004*, *Financial Management Act 1994*, and all associated statutory instruments, ministerial directions and departmental requirements.



Figure 2: (L-R) North Central CMA Board Member Stuart McLean, bankmecu Community Banking Manager Derek de Vrieze and Landcare members Tamsin Byrne and Maurie Dynon at the '25 Years of Landcare' celebration, November 2011.

Part A: Statement of Corporate Intent

Strategic Direction

The 2012-13 Corporate Plan is the second instalment in what is expected to be a five-year journey to achieve the organisational vision to become the benchmark organisation described below.

Having considered the current business context and the success of the 2011-12 Corporate Plan in laying the foundations of business excellence, and operating with purpose while meeting stakeholder commitments, the North Central CMA Board has endorsed the on-going commitment to the following **Statement of Strategic Intent**.

North Central CMA Statement of Strategic Intent	
Our Purpose We will protect and enhance the integrity of our catchments.	
Our Organisational Vision We will be a benchmark organisation working in partnership with our communities to deliver enduring natural resource management outcomes.	
Our Values Values describe specific qualitative factors where there is a clear intention and commitment to achieving a high level of performance. In alignment with the <i>Public Sector Act 2004</i> , the North Central CMA, including its Board, Natural Resource Management Committee (NRMCM) and staff, are committed to the following values:	
Leadership:	actively implementing, promoting and supporting our values.
Accountability:	accepting responsibility for decisions and actions.
Respect:	treating others fairly and objectively.
Human Rights:	respecting, promoting and supporting human rights.
Responsiveness:	providing best standards of service and advice.
Impartiality:	acting objectively.
Integrity:	earning and sustaining public trust.

Our Strategy

There are four key pillars to our strategy. To achieve our purpose of protecting and enhancing the integrity of our catchments, we will:

1. Prevent further decline in catchment condition through discharging our statutory responsibilities.

2. Protect and enhance the ecological assets in our region through targeted investment.
3. Participate in public debate to advocate the sustainable use of our region's natural resources.
4. Support and facilitate community involvement in natural resource management.

In accordance with being a benchmark organisation the North Central CMA will measure its organisational performance over time through the Australian Business Excellence Framework (ABEF), which provides a consistent and independent way to do this.

We have established an initial baseline that will provide support as we decide on the priorities for improvement. The baseline also allows us to see how we are performing over time and to compare our organisation with others in the industry. We are committed to applying ABEF to the business plan with a clear focus on sustainable government practices.

Our **Principles for Business Excellence** are:

- Clear direction and mutually agreed plans that enable organisational alignment and a focus on the achievement of goals.
- Understanding what our customers and stakeholders value, now and in the future, enabling organisational direction, strategy and action.
- All people work *in* a system. We will improve our outcomes when people work *on* the system and its associated processes.
- Engaging people's enthusiasm, resourcefulness and participation to improve organisational performance.
- Innovation and learning influence the agility and responsiveness of our organisation.
- Effective use of facts, data and knowledge leads to improved decisions.
- Variation impacts on predictability, profitability and performance.
- Sustainable performance is determined by our ability to deliver value for all stakeholders in an ethically, socially and environmentally responsible manner.
- Leaders determine the culture and value system of our organisation through their decisions and behaviour.

When the initial ABEF assessments were analysed, they clearly identified opportunities for improvement in the key performance areas of:

- Information and knowledge: *data and decision making.*
- Customers and other stakeholders: *perception of value.*
- Sustainable performance: *measuring and communicating results.*

Whilst generally meeting stakeholder expectations, the nature of reporting and maintaining governance standards has become unsustainable with the current level of resources. The resolve across our organisation is to simplify the process of monitoring and reporting, which will help demonstrate performance and increase stakeholder satisfaction.

To achieve this goal, we have created an improvement process referred to as Benchmarking our Business (BoB). Four projects have been established with benefits expected to be demonstrated across the range of ABEF performance areas and provide significant outcomes in:

- Operational efficiency, flexibility and responsiveness
- Demonstrating value for customers and stakeholders
- Improving employee productivity, satisfaction and retention.

BoB #1 – Customer and stakeholder feedback processes

Increasing knowledge about how stakeholders perceive value will influence how we design key areas, such as strategy and end-to-end processes, as well as the nature of our services and scope of asset projects. Building on the strong culture of partnering, we will actively seek stakeholder feedback and develop processes for integrating that feedback into all facets of decision making.

BoB #2 – Business systems renewal

In recent years reporting requirements have grown in both complexity and frequency. The current systems (Axapta and CAMS) do not have the capacity or flexibility to provide efficient reporting into the future.

During 2012, we propose to partner with DSE to scope the feasibility of renewing these systems when suitable replacements are available in 2013.

BoB #3 – Organisational monitoring, evaluation and reporting (MER)

A review and systematic improvement of all MER requirements including:

- Organisational – dashboard-style key performance metrics.
- Strategy – effective execution of the Regional Catchment Strategy (RCS) and related NRM strategies and policies.
- Project – demonstrating enduring environmental change.

BoB #4 – The North Central Way

Based on a strong foundation, the Statement of Strategic Intent will be actively promoted throughout the organisation through a new initiative focused on leadership and team development. Demonstrating performance against metrics from ABEF and the People Matters Survey (conducted by State Services Authority). The objectives of this initiative are to:

- Promote a more dynamic and adaptive culture
- Develop capacity for change management and resilience
- Retain valued skills and knowledge critical to organisation success.



Paddlers enjoying the values of Gunbower Creek

Business Objectives

The flagship initiatives for this Corporate Plan's first 12 months are:

Objective #1 - Meet all statutory and legislative requirements

The North Central CMA will meet its accountabilities as prescribed by the *Victorian Catchment and Land Protection (CaLP) Act 1994* and *Water Act 1989*.

Objective #2 - Maximise investment into the region's environmental assets

The North Central CMA will actively seek competitive funding through VIF, CfoC, emerging government investors and private organisations. It will also investigate opportunities for recovery of funds on a 'fee for service' basis.

Objective #3 - Advance community NRM capacity

The North Central CMA will continue to develop community capacity through the NRM program outlined in Part B. We will promote opportunities for the development and implementation of effective Environmental Literacy participatory education programs, such as Waterwatch and Landcare.

Objective #4 - Deliver the significant NRM program outlined in Part B of this plan

The North Central CMA will finalise the flood recovery program, as well as the other asset and enabling projects described in Part B of this plan. The new RCS will continue to drive our investment program beyond 2012-13.

Objective #5 - Expand our "Working on Country" Aboriginal engagement program.

The North Central CMA will continue to foster Indigenous employment opportunities around NRM in consultation with local Aboriginal groups.

Main Business Undertakings

The North Central CMA has received funding to develop six flood mitigation and urban drainage plans for the worst 2010-11 flood affected communities; Charlton, Rochester, Creswick, Clunes, Carisbrook and Donald, as well as complete an urban flood study for Bendigo.

The plans will provide improved flood intelligence for each community and will identify options for reducing the potential risk in future flood events. The development of these plans has a strong community focus to ensure the recommendations have the support of communities and meet their unique needs.

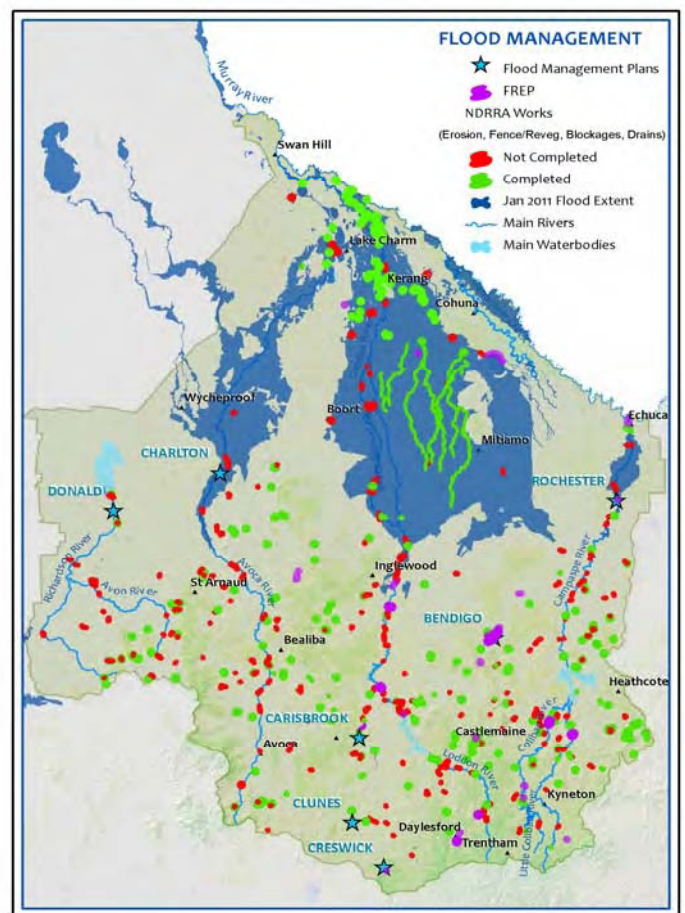


Figure 3: Map of Flood Recovery Efforts

Other flood recovery activities to be completed include:

- Fencing repairs or replacement on 232 qualified properties
- 172 kilometres (km) of waterway desilting and reinstatement of 20 culverts
- Repairing 2 km of damaged levee on Pental Island

- Resolving 174 levee breaches on the lower Loddon floodplain
- Managing eight on-ground crews through the Flood Recovery Employment Program (FREP).

In addition to finalising the flood recovery program, the following activities will take priority in 2012-13.

We will:

- Fulfil our stewardship obligations by implementing the new **Regional Catchment Strategy** and developing a supporting **Regional Strategy for Healthy Rivers and Wetlands**.
- Commence the **Caring for the Campaspe River** project - the first large-scale on-ground works project delivering river health improvements to this significant asset. The project will capitalise on the experience and knowledge gained through the Loddon Stressed River project over the previous eight years. The Campaspe River holds important biodiversity within the Riverina and Goldfield bioregions and contains many vulnerable, threatened or depleted vegetation communities, aquatic fauna (including the flagship species Murray Cod and Platypus) and threatened terrestrial species (Swift Parrot and Squirrel Gilder). The specific long-term target of the project is to improve the condition of 400 hectares (ha) of riparian vegetation along the Campaspe River by 2016. This equates to 20 per cent of the total riparian area (based upon a 50 metre [m] buffer each side of the waterway).
- Implement the **Loddon River Transition** project - a two-year transition and maintenance program to undertake new works while also providing support and maintenance to landholders. The project aims to secure and protect the outcomes previously achieved through the Loddon Stressed River project, particularly in riparian protection along the regulated Loddon River and Tullaroop and Serpentine creeks.
- This program builds on a platform of achievements over the past eight years including:
 - fencing and protecting more than half the Loddon River frontage in the project area (360 km of a total 700 km of frontage)
 - 960 ha of riparian revegetation

- Engaging over 600 people involved in wide range of community activities. Research undertaken by Charles Sturt University shows that the proportion of landholders involved in this project is higher than average.

Participating landholders have a high awareness of river health issues and practices and focus on environmental values.

- Commence the **Protecting and Enhancing Priority Wetlands of the North Central CMA Region** project, which will maintain and improve the ecological condition of six wetland complexes of international, national or state significance within the region. The project focuses on the Kamarooka, Central Murray, Boort District, Avon Plain, Cope-Cope and Bunguluke wetland complexes. Commence construction of the large-scale flooding infrastructure as part of the **Gunbower Forest Environmental Watering** initiative, to deliver environmental water to these Ramsar listed wetlands. This floodplain ecosystem hosts Australia's second largest River Red Gum forest and relies on regular flooding to maintain its health.
- Work in collaboration with community networks, including the **North Central Landcare** and **North Central Waterwatch** programs, as a platform for community involvement in decision-making and broader community engagement.
- Provide leadership in the management of **environmental water delivery**. We will continue to play a crucial role in managing specific environmental Bulk Entitlements, investigating and managing flows in unregulated waterways for environmental benefit, responding to regional environmental water management requirements, monitoring environmental flows and engaging with the community on environmental flow issues for both rivers and wetlands.

It is important to recognise that the scale of **environmental water delivery** within the region is expected to continue to increase across the two regulated rivers – Loddon and Campaspe.

In order to deliver the best possible solutions for the environment and the communities' dependent on these river systems we facilitate two community-based advisory groups (Loddon and Campaspe Environmental Water Advisory Groups – LEWAG and CEWAG) and source water from both the Victorian and Commonwealth Environmental Water Holders.

The LEWAG and CEWAG model is recognised within the Victorian NRM sector as an example of best practice for community engagement.

- Promote **sustainable land management** practices to protect and enhance the resilience of our region's soils and priority assets through the following projects:

- Farming for Sustainable Soils
- Healthy Productive Irrigated Landscapes
- Adopting Sustainable Farming Practices
- Innovative Farming
- Landcare.

Nature and Scope of Activities

Maintaining high standards of corporate governance is a major focus of the North Central CMA.

The Board, its' sub-committees and staff all have a strong commitment to continual improvement in this area. These high standards are supported through a structure and culture that maintains the appropriate separation of duties, and demands accountability and excellence in all aspects of the business.

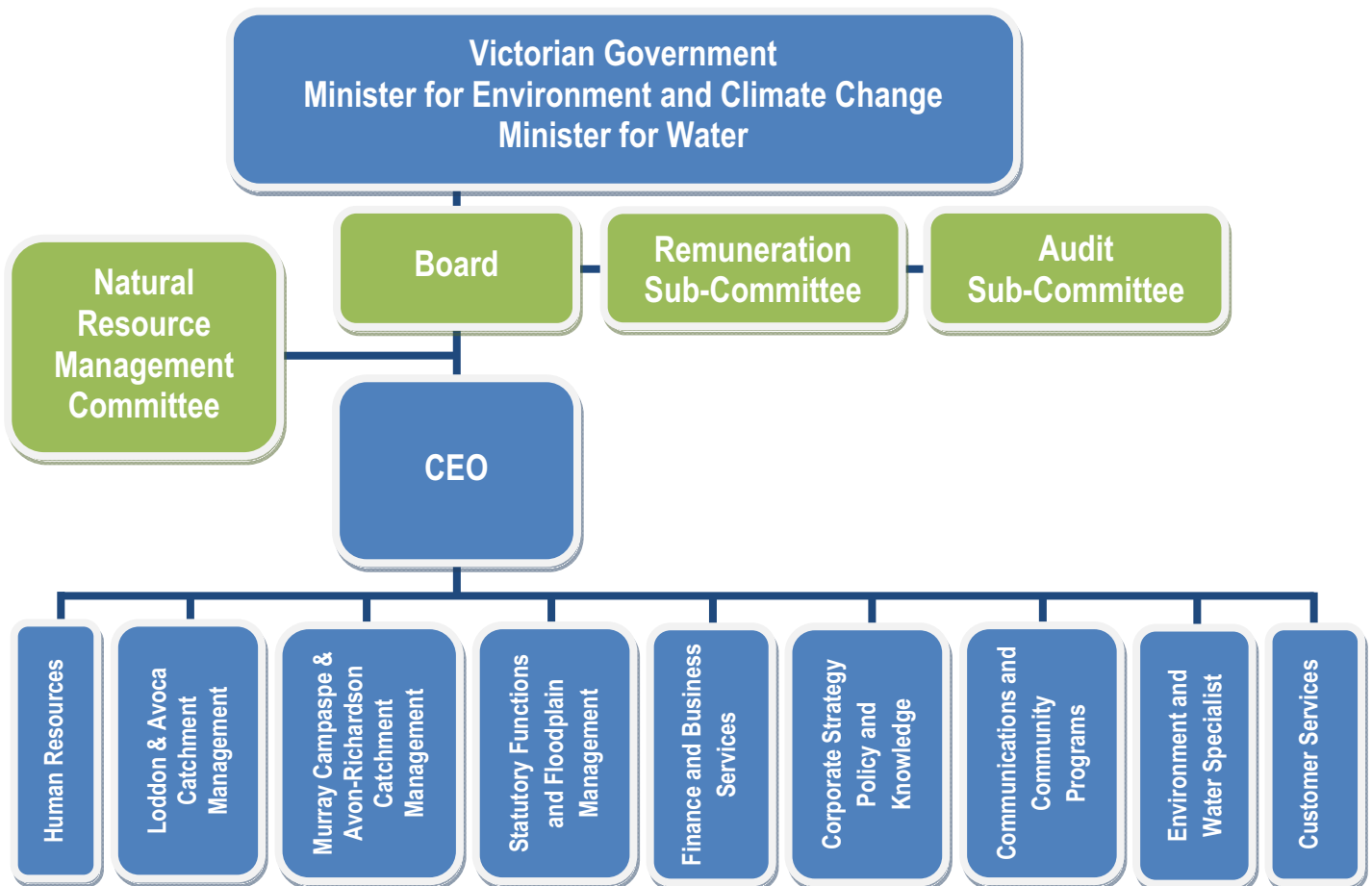


Figure 4: Governance framework and organisational structure



Figure 5: The North Central CMA Board appointed in 2011 with CEO Damian Wells (*From left to right: James Williams, Julie Slater, David Clark (Chair), Melanie McCarthy, Prue Addlem, Laurie Maxted, Don Naunton, Christine Brooke, Damian Wells and Stuart McLean*).

Table 1: Prescribed Government Measures

Performance area	Performance indicators	Targets	Achievement reporting
Governance			
Board performance	Complete and submit an annual Board performance assessment report, according to any guidelines issued	By 31 August annually	Actual date on which the Board assessment report was submitted
	Participation by Board members in development activities	All Board members participate in development activities	Proportion of Board members participating in development activities
Board Charter	Develop and implement a Board Charter	The Board Charter is reviewed (and if necessary, amended) by 30 June annually	Actual date on which the Board Charter was reviewed and, if necessary, amended
Risk and financial management	Compliance to risk management plans for each program	All programs have risk management plans in place Nil non-compliances with risk management plan	Percentage of programs with risk management plans in place Number of non-compliances with risk management plan
Policies and procedures	Regular review of policies and procedures	Each policy and procedure is reviewed at least every five years	Percentage of policies and procedures reviewed annually
Efficiency and organisational performance			
Grant management	Administration costs of grants are minimised	10% or less of grant funds is spent on administration	Overall percentage of grant funds spent on administration
	Minimise time taken to determine grant applications	Grant applications are determined within one month of being received	Number of grants from which more than 10% was spent on administration Average time taken to determine grant applications
Regulatory waterway /water functions	Number of days to process works on waterways permits	Not more than 20 working days	Average number of working days to process permits Number of permits that took more than 20 working days to process
	Number of days to process referrals for any works on or in relation to a dam	Not more than 20 working days	Average number of working days to process referrals Number of referrals that took more than 20 working days to process
	Number of days to process referrals from local government on flooding and controls on planning scheme amendments, and planning and building approvals	Not more than 20 working days	Average number of working days to process referrals Number of referrals that took more than 20 working days to process
	Number of days to process enquiries from local government and community on flooding	Not more than 20 working days	Average number of working days to respond to enquiries Number of enquiries that took more than 20 working days to process
	Number of days to process referrals for Water Use Licences referrals that don't meet the standard water-use conditions	Not more than 20 working days	Average number of working days to process referrals Number of referrals that took more than 20 working days to process
	Number of days to process enquiries from Rural Water Corporations on irrigation and drainage plans, and seasonal adjustments to annual use limits	Not more than 20 working days	Average number of working days to process referrals Number of referrals that took more than 20 working days to process
	Number of days to process enquiries from Rural Water Corporations issuing Take and Use Licences	Not more than 20 working days	Average number of working days to process referrals Number of referrals that took more than 20 working days to process

Effectiveness and environmental outcomes			
Integrated river health management	Revise North Central River Health Strategy to plan for waterways in relation to their economic, social and environmental values	North Central River Health Strategy revised every six years	Actual date North Central River Health Strategy was revised
	Develop and revise Environmental Operating Strategies and Annual Watering Plans to manage the Environmental Water Reserve in accordance with objectives	Environmental Operating Strategies developed or revised every five years Annual Watering Plans approved for all Environmental Entitlements	Actual dates Environmental Operating Strategies were developed or revised Actual date Annual Watering Plans were approved
Regional Catchment Strategy (RCS)	Complete and submit the developed or revised RCS according to any guidelines, standards and related information issued	Submit the developed or revised RCS by the due date as required in any guidelines, standards and related information issued	Actual date on which the developed or revised RCS was submitted for approval
	Percentage of RCS annual actions implemented	All RCS annual actions implemented	Percentage of RCS annual actions implemented
Regional Native Vegetation Plan (RNVP) implementation	Percentage of RNVP annual actions implemented	All RNVP annual actions implemented	Percentage of RNVP annual actions implemented
Invasive plant and animal management	Regional Invasive Plant and Animal Strategies incorporating related priorities in all land tenures in the region	Invasive Plant and Animal Strategies revised by 30 June every five years	Actual date strategies were revised
Regional and Statutory Planning	Provide advice on dryland salinity, irrigation management, soil erosion, or any other land management issue identified in the local Municipal Strategic Statement as the referral body	100% of referral responses provided for each issue	Percentage of referral responses provided for each issue
Salinity management	Implementation and periodic review of Regional Salinity Management Plans (RSMP) and Land and Water Management Plans (LWMP)	RSMP and LWMP completed RSMP and LWMP periodically reviewed	Whether RSMP and LWMP completed Whether RSMP and LWMP periodically reviewed
	Progress against annual action targets Develop regional salinity targets and correspondence works programs in accordance with the Murray-Darling Basin Salinity Agreement Annual Report on the allocation and update of salt disposal entitlements submitted to the responsible Minister	RSMP and LWMP include annual actions to be implemented All annual RSMP and LWMP actions and targets achieved All annual salinity targets and works programs achieved By 31 July annually or as otherwise requested by the responsible Minister	Whether RSMP and LWMP include annual actions to be implemented Proportion of annual salinity targets and works programs achieved Proportion of annual salinity targets and works programs achieved Actual date the report was submitted
Regional Landcare groups, networks and other community groups	Deliver the Regional Landcare Support Strategy, including regional coordination of Landcare	Evaluate and revise strategy every five years	Actual date the strategy was evaluated and revised

Reporting and Review of Corporate Plan

The Board monitors progress against the Corporate Plan objectives at quarterly Board meetings. North Central CMA's performance, as defined by the performance measures in the Corporate Plan, is reported in the Annual Report. In addition, its strategic direction is updated each year based on changes occurring in the operating environment, including:

- Ministerial direction
- community feedback
- the drive for more cost-effective systems, processes and allocation of resources
- catchment condition
- government reform.

Part B: Business Plan

Strategic Direction

This Business Plan is informed by the North Central CMA's Statement of Strategic Intent as outlined in Part A and 'Our Purpose'; *to protect and enhance the integrity of our catchments*. Through this plan, we focus our resources, energies and funding (as outlined in Part C) on this principal task to benefit communities, stakeholders and environment.

The Benchmarking our Business (BoB) organisational improvement initiatives outlined in Part A will provide significant benefits to the Business Plan and our ability to improve its value to stakeholders through efficiency gains and redirecting effort from reporting and administration into on-ground works.

By way of example, our Flood Recovery Employment Program 'Workforce Model' provides significant efficiency enhancement. In this instance a labour hire specialist undertook the significant administrative workload whilst we engaged up to 64 workers at any one time to achieve excellent NRM outcomes on a range of flood recovery projects.

In conjunction with investment partnerships with the Victorian and Australian Governments, we continue to work with local government and regional communities to secure funds and deliver both the Regional Landcare and Waterwatch programs.

We acknowledge the need to balance targeted investment while effectively engaging NRM stakeholders, and will continue to monitor this mix in conjunction with government funding partners, to create the best possible outcomes for stakeholders and the environment.

Developing Catchment Management Authorities

We are committed to assisting government with the development of catchment management authorities to ensure they remain a relevant and valuable function of government. In particular, we believe CMAs can add value in the following areas:

- **Environmental Accounts:** In collaboration with concerned scientists and economists representing diverse government functions, as well as other agencies, we support the development of a set of environmental accounts for the effective creation of environmental policy.

Our experiences will be shared through the Victorian Catchment Management Council to inform state partners and regional colleagues.

- **Business Systems:** In the last few years there has been a vast increase in expectations for the amount, sophistication and frequency of reporting. This has been acknowledged among CMAs as a considerable burden. To be consistent with government sustainability, we propose to partner with DSE to develop and pilot a decentralised system of works management and reporting to greatly improve CMA efficiencies and service levels to DSE and other investors.

Community and Stakeholder Engagement

The North Central CMA's goal is for catchments to support successful communities through enabling profitable and sustainable economic activity including:

- a world-class irrigation sector
- a world-class dryland agricultural sector
- viable and diverse industries based in vibrant urban and rural centres.

The North Central CMA is a leader in regional engagement with strong links to Landcare, Waterwatch and other community NRM networks. Through the execution of a new RCS, asset projects (listed in Schedule B1) are designed to secure the improved condition of the region's four catchments.

The local community holds a wealth of information about their environment, which is why we seek to partner with them; to share and build upon this knowledge. By way of example, after eight years of investment in the Loddon River as one of the region's flagship assets, we have developed a 'River Advocates' group to ensure there is on-going community effort to protect the river for future generations.

Through sustained physical and mental duress, the health and wellbeing of the north central Victorian communities has been significantly affected. Our rural and farming communities in particular have been tested through ten years of drought followed by historically significant floods and the associated damage. We recognise the important role our communities play in protecting and enhancing the integrity of our catchments and by engaging them in our programs and the Landcare ethic we acknowledge the opportunity to benefit community wellbeing through a shared purpose.

Our achievements are made possible through coordinating, developing and implementing key on-ground programs in partnership with local communities. This continues to be the cornerstone of our activities. We undertake these programs directly or through partnerships with the DPI, DSE, Trust for Nature, local government, Regional Development Australia and the Murray-Darling Basin Authority. Partners also include regional water corporations, educational institutions, research bodies, the private sector and the local community. These important relationships allow us to continue to successfully deliver NRM projects with meaningful stakeholder and community input.

The 2012 National Soils Forum, part of our Farming for Sustainable Soils project, supported by the Australian Government's CfoC program, is an example of our engagement in action. The third year of this initiative brought us face-to-face with over 270 people from across Australia and facilitated discussion between landholders, local farmers, scientists and policy makers on securing the productive and environmental values of soil health in north central Victoria.

Regional Catchment Strategy

The Regional Catchment Strategy (RCS) is required under the Catchment and Land Protection Act (1994). The North Central RCS is the key planning document that will set regional priorities for the future management of natural resources across the region. The RCS is currently being renewed and its release will coincide with the timing of this Corporate Plan. The RCS spans a six-year period (2012-18) and aims to provide focus, coordination and direction for all NRM work in the region. It will strengthen the links between rivers, landscapes and people across this unique area.

The RCS renewal process has identified over 400 community assets and more than 20 high priority RCS catchment assets for protection and enhancement. To date, some 300 community members have been involved in the strategy's development and we are working closely with partner organisations to ensure a strong collaborative approach to its implementation. The North Central RCS is expected to be completed by August 2012.

The Project Portfolio

The North Central CMA is confident that our project and program portfolios are informed by the best available science and underpinned by effective community engagement through the NRM.

These processes have helped us to identify priority natural resource assets in the region and rank them against government priorities to put forward the strongest possible investment case.

Leveraging the BoB organisational improvement initiatives outlined in Part A, the program of works outlined here will benefit from productivity gains through more adaptive management practices, flexible resourcing and reduced administrative burden while creating a more valued customer experience and return on investment for stakeholders.

Development process

The North Central CMA is the lead NRM agency in north central Victoria for coordinating and monitoring NRM programs. We embrace this responsibility by employing best practice principles in managing and protecting the region's diverse environmental assets and striving to achieve enduring outcomes and a healthy and sustainable environment. Our approach is to ensure:

- our investment priorities align with those of the Victorian and Australian Governments
- continued implementation of the RCS and sub-strategies
- outcomes are delivered through the most efficient business processes
- all activities are monitored and evaluated through the project life cycle, including establishing resource condition baselines at the start of the project.

Objective and key principles

The overarching objective of the North Central CMA investment process is to maximise the benefits of NRM investment into the region. The following **principles** were adopted to assist in developing and assessing the 2012-13 Regional Investment Plan:

- Ensure sufficient flexibility for the North Central CMA to adapt to changes in Victorian Government policy and investment priorities, as well as future Board direction.
- As far as practical, achieve asset goals of existing projects within the next 18 months in accordance with the above principle.
- Manage the expectations of government, science and community by:
 - implementing the recommendations from the Investment Framework for Environmental Resources review panel
 - considering the NRMCA's project assessments, including any recommendations
 - seeking investor feedback on all project proposals before submitting the Regional Investment Plan.

In response to investment criteria, we have developed proposals that are:

- policy-led
- science-based
- asset-based
- collaborative
- low-risk.

We are confident that our 2012-13 projects meet a range of investment criteria and guidelines, and that they will greatly benefit our community and stakeholders.

Program Overview

The North Central CMA’s broad funding priorities include:

- compliance with statutory obligations under the relevant Acts
- protecting and enhancing Ramsar wetlands
- finalising 2010-11 flood recovery program
- promoting community resilience by completing seven Flood Management Plans
- increasing landscape connectivity of priority NRM assets
- increasing the capacity of communities to actively participate in NRM
- maintaining productive agricultural land
- protecting threatened species and ecological communities.

Our ‘2012-13 Regional Investment Plan’ comprises four key catchment programs:

1. Lower Loddon and Campaspe
2. Upper Loddon and Campaspe
3. Avoca-Avon/Richardson
4. Regional



Figure 6: Regional Overview with Investment Program Boundaries

During 2011-12 we restructured our delivery functions into distinct teams. The financial reports reflect this new structure:

- Murray, Campaspe and Avon Richardson catchments
- Loddon and Avoca catchments
- Regional.

Throughout 2012-13 the investment program will also align with this structure.

Lower Loddon and Campaspe program

The Lower Loddon and Campaspe Program area covers approximately 713,876 ha of diverse land types. It is largely comprised of the Torrumbarry, Loddon Valley and Rochester-Campaspe irrigation areas. The terrestrial and aquatic environment of the region is highly recognised by the community for its environmental, social and economic values.

The region includes high value Ramsar-listed wetlands (Kerang Lakes, Gunbower Island), state and nationally listed threatened species and vegetation communities (Buloke Grassy Woodlands and Plains Grasslands) and priority river reaches (including the Murray River and Gunbower Creek) which provide important aquatic, riparian and terrestrial habitats. Other priority assets of the Lower Loddon and Campaspe Program area addressed through the Regional Investment Plan are the Benwell and Guttrum State Forests; dry and irrigated land; and the threatened grasslands of the Patho Plains.

Change in the irrigation industry is a dominant driver of change within the Lower Loddon and Campaspe Region. Activities such as transitioning land-use and irrigation system modernisation – and reconfiguration associated with this change – present both risk and opportunity to the region’s environmental assets. A strong focus of this program is active protection, enhancement and restoration of priority environmental values (such as protecting the values of Gunbower Forest and the Kerang Lakes complex) through this change process.

Supported by the application of INFFER the program will address the following threats to these assets:

- salinity
- altered water flows
- vegetation removal/habitat loss
- inappropriate land use
- declining/poor water quality
- erosion and soil disturbance
- invasive plants and animals.

If these threatening processes are left unchecked, the health and sustainability of this lowland ecosystem will continue to decline, putting at risk the priority environmental assets and the threatened species, farm productivity and ecosystem functions they support.

Program Focus

The Lower Loddon and Campaspe Program will deliver large-scale NRM outcomes within the Lower Loddon and Campaspe catchments of the region. This program takes an integrated approach to the management of NRM assets consistent with the objectives of the RCS, the Loddon Campaspe Irrigation Region Land and Water Management Plan, North Central Regional River Health Strategy, North Central Invasive Plant and Animal Strategy and the North Central Native Vegetation Plan priorities and actions.

The program’s primary objective is to protect priority targeted NRM assets within the area. The design of this

program has been largely guided by asset based investment frameworks (INFFER and the Healthy Productive Landscapes Framework) and NaturePrint. The key threats and risks to assets will be actively addressed, with targeted investment to be undertaken in areas critical to achieving success. All works proposed under this project comply with Vegetation Works Standards (DSE, 2011).

The program provides for the best possible integration and coordination of the regional community’s efforts to achieve meaningful change in terms of:

- environmentally sustainable farming practices
- protection of threatened species
- maintenance of biodiversity
- protection of ecosystem function
- increased community skills, knowledge and participation.

Successful delivery of the Lower Loddon and Campaspe Program is expected to contribute to:

- increasing improved habitat for biodiversity values
- reducing the impacts of invasive plants and animals
- reducing the risk of salinity on land and water assets
- reducing the risk of extinction for priority populations of threatened species
- improvements in water quality and soil health
- increase in the capacity of individuals, land managers, community groups and institutions to manage the region’s natural resources in a sustainable and culturally sensitive manner.

Upper Loddon and Campaspe program

The Upper Loddon and Campaspe Program area covers approximately 1.2 million ha and contains the majority of the region’s urban land, water storages, conservation reserves and crown land with licensed use. Major towns include Daylesford, Maldon, Kyneton, Heathcote, Castlemaine and Maryborough. The area includes high value river reaches, which provide important aquatic and riparian habitats and deliver good quality water to downstream users.

The area includes a range of priority environmental assets that form the focus of this Corporate Plan such as the biodiversity values of the Goldfields region (particularly a number of significant threatened species, such as the Box-Gum Woodlands of the Mt Alexander region) and the priority reaches of the Upper Loddon and Campaspe River catchments.

Much like the Lower Loddon and Campaspe Program area, change brings threats to environmental assets in this area. Changing land-use exposes the area to a range of threats associated with development; both physical threats and those associated with the changing ideals and skills of a new demographic. Changing climatic conditions are significantly altering the hydrology of the region's upper catchment waterways.

Supported by the application of INFFER and NaturePrint, the program will address the following threats to these assets:

- declining/poor water quality
- degraded riparian condition
- erosion
- fire
- inappropriate land use
- invasive plants (including willows, gorse and blackberry) and animals
- soil disturbance
- vegetation removal/habitat loss.

If these threatening processes are left unchecked irreversible damage is expected to occur to high value NRM assets within the next ten years.

Program Focus

The Upper Loddon Campaspe Program will deliver large-scale NRM outcomes within the dryland region of the Loddon and Campaspe catchments of the region. This program takes an integrated approach to the management of NRM assets consistent with the objectives, priorities and actions of the RCS, North Central Regional River Health Strategy, Second Generation Dryland Salinity Management Plan (Land Management Plan), North Central Native Vegetation Plan, North Central Invasive Plant and Animal Strategy, Bioregional plans for the Goldfields and Riverina bioregions.

The design of this program has been largely guided by INFFER and NaturePrint. The program's primary objective

is to protect priority NRM assets within the Upper Loddon and Campaspe Program area. The key threats and risks to assets will be actively addressed, with targeted investments to be undertaken in areas critical to achieving success.

The program provides for the best possible integration and coordination of regional communities efforts to achieve meaningful change in terms of:

- protecting threatened species (flora and fauna)
- maintenance of biodiversity
- protecting and enhancing ecosystem function
- increasing community skills, knowledge and participation.

Successful delivery of the Upper Loddon and Campaspe Program is expected to contribute to:

- increasing the extent of habitat improved and protected for biodiversity values
- reducing impacts of invasive plants and animals
- reducing the risk of salinity on land and water assets
- improving the quality of water and soil health
- increasing the capacity of individuals, land managers, community groups and institutions to manage the region's natural resources in a sustainable and culturally sensitive manner.

Avoca Avon-Richardson program

The Avoca Avon-Richardson Program area occupies a large part of the region's two western catchments. The total area of the Avoca Avon-Richardson region is just over one million ha (40 per cent of the region's total area). Major towns include St Arnaud, Avoca, Donald, Charlton and Quambatook. In 2001, the majority of the region's gross value of production (GVP) for the grains and mixed cropping industry (\$54.5m) and pastoral production (\$14m) was concentrated in the Buloke Shire.

The area includes high value Ramsar listed wetlands, state and nationally listed species and vegetation communities (Buloke Grassy Woodlands) and priority river reaches (including Reach 7 of the Avoca River). As with the other North Central CMA program areas, the dryland farming enterprises of the Avoca Avon-Richardson are changing.

Returns from farming are becoming increasingly variable and the regional communities are actively adapting their farming systems to a drier climate, while working to improve farming sustainability. A smaller number of landowners are managing larger, consolidated farms making the interventions of NRM programs more efficient and substantial in scale.

Supported by the application of INFFER, the Avoca Avon-Richardson Program will address the following threats:

- degraded riparian condition
- erosion
- invasive plants and animals
- inappropriate land use
- declining/poor water quality
- vegetation removal/habitat loss.

Program Focus

The Avoca Avon-Richardson Program's primary objective is to protect priority NRM assets within the program area, focussing on the Avoca River (Reach 7). The program area has been identified by the North Central CMA's NRM and through the development of plans such as the North Central River Health Strategy and the North Central Dryland Management Plan.

Investment in this program will reduce threatening processes and ensure the area will remain a functioning ecosystem. Environmentally sustainable farming practices will be encouraged, while also building community skills and knowledge, and improving aquatic and terrestrial habitat for threatened species.

For the Avoca River, there is a targeted approach on Reach 7 which will draw upon recent actions identified under the Upper Avoca Catchment Action Plan. Interventions will include the delivery of on-ground works in priority areas including:

- fencing and revegetation
- erosion control
- exclusion of stock and provision of off-stream watering
- invasive plants and animals control
- a comprehensive sediment control and management investigation to determine the impacts of sediment on in-stream habitat.

The York Plains project while not expected to attract additional funding in this plan, will see considerable activity ongoing until 2014.

The North Central CMA will actively monitor the works and management plans through the landholder agreements that have been established. Successful delivery of the Avoca Avon-Richardson Program is expected to contribute to:

- increasing extent of improved and protected habitat for biodiversity values
- reducing the impacts of invasive plants and animals
- reducing risk of salinity on land and water
- improving the quality of water and soil health
- increasing the capacity of individuals, land managers, community groups and institutions to manage the region's natural resources in a sustainable and culturally sensitive manner.

Regional Program

The Regional Program will deliver landscape-scale NRM outcomes across north central Victoria and address the following threats:

- altered water flows
- barriers to migration
- declining/poor water quality
- degraded riparian condition
- erosion
- fire
- inappropriate land use
- invasive plants and animals
- salinity
- soil disturbance
- vegetation removal/habitat loss
- limited community capacity to sustainably manage NRM.

Flood Recovery

Natural Disaster Relief and Recovery Arrangements

In September 2011, the North Central CMA secured \$9.04m of NDRRA funding through the Department of Treasury and Finance to be delivered over two years. These funds cover the cost of flood repairs to environmental protection works previously funded by the North Central CMA and our other assets based on an extensive assessment of flood damage. The scope of works include waterway blockage removal and the repair/replacement of 234 km riparian fencing, 164 erosion control structures, 112 ha of revegetation, 21 water quality monitoring sites, 172 km of Bullock Creek Improvement Trust drains, 2 km of levee on Pental Island, as well as the Quambatook Weir.

The key deliverables in 2012-13 include the completion of fencing repairs/replacement by 30 September 2012, completion of 140 erosion control repairs by 30 June 2013, repairs to the Bullock Creek Improvement Trust drainage system and construction of the Quambatook Weir replacement structure. The NDRRA Flood Recovery Program will conclude by 30 September 2013 with the completion of fencing and revegetation at repaired erosion control sites.

Natural Disaster Environmental Recovery Program

As part of the Australian Government's CfoC initiative, the North Central CMA received \$400,000 in 2010-11 to help the community undertake environmental flood recovery projects. Throughout 2011-12, grants were distributed to individuals and Landcare groups to repair flood damage to non-North Central CMA environmental protection works and protect or enhance environmental benefits from the floods, such as natural regeneration. The program also supported the work of DPI and the Flood Recovery Employment Program to undertake Alligator Weed surveillance along the entire length of Bendigo Creek and Kow Swamp. The North West Indigenous Training, Employment and Enterprise Project was also supported in 2011-12 to undertake works and training in the Swan Hill area.

The project will conclude by 30 September 2012. Key deliverables in 2012-13 include works targeting Weeds of National Significance (WoNS) along Gunbower Creek, final grant payments associated with revegetation for individuals and Landcare groups, and support to several other CfoC funded projects in the region that have been adversely affected by the floods.

Flood Management Plans

The North Central CMA is currently developing Flood Mitigation and Urban Drainage Management Plans for six of the hardest hit communities in the 2010-11 flood events. These communities include Creswick, Charlton, Clunes, Carisbrook, Donald and Rochester. The purpose of these plans is to better understand the potential risk of flooding, assess potential flood mitigation options and guide the development of improved flood warning systems. These plans are being developed in conjunction with local councils, with the process overseen by community-based steering committees. A flood study is also being completed for Bendigo.

The final Creswick Flood Mitigation and Urban Drainage Plan was endorsed by the North Central CMA Board and the Hepburn Shire Council in February 2012.

Plans for Charlton and Clunes are expected to be completed in mid-2012, with the remainder of the plans to be finalised by the end of 2012.

Additional funding is being sought for the 2012-13 financial year through the Natural Disaster Resilience Grants Scheme for the development of flood plans for other townships in the North Central CMA region.

Flood Recovery Employment Program (FREP)

In June 2011 the North Central CMA secured \$2.74m from the Victorian Government's \$6.15m allocation to implement a Flood Recovery Employment Program (FREP). FREP was a critical intervention, injecting local employment opportunities into flood stressed communities.

A considerable legacy of this program is the development and availability within the community of valuable skills and capacity from the 64 participants. It is expected that other projects such as those funded by NDRRA will directly employ some of the FREP participants.

FREP is due for completion at end of June 2012 and is not included in Part C - Finances.

Regional Program Focus

The primary focus of the Regional Program is to ensure the implementation of projects directly contributing to the delivery of North Central CMA's statutory functions. In addition to the delivery of statutory obligations, the focus of the Regional Program is to coordinate the delivery of projects where the asset extends beyond a single program area, and where there are common threats to priority assets across two or more of the geographic program areas. Investment in the Regional Program will ensure contributions against all VIF priorities.

The future health of the environment depends on the actions of people in north central Victoria, and their ability to implement and resource NRM projects. This program will build on past successes in improving the capacity of regional communities to deliver enduring environmental change.

Successful delivery of the Regional Program is expected to contribute to:

- increasing the extent of improved and protected habitat for biodiversity
- reducing impacts of invasive plants and animals
- reducing the risk of salinity on land and water assets
- improving the quality of water and soil health
- increasing the capacity of individuals, land managers, community groups and institutions to manage the region's natural resources in a sustainable and culturally sensitive manner.



Landscape-scale revegetation - Kamarooka

Table 2: 2012/13 Corporate Plan Project List

Funded projects for 2012-13. [It is important to recognise that there are other activities with significant works to be completed in 2012-13. Examples include provision of expert services to NVIRP and development of flood management plans].

Project ID	Investment Program	Project Name	RIP Program	Responsibility	Type
OC11-00825	CfoC	Adopting Sustainable Farming Practices	Lower Loddon and Campaspe	Murray , Campaspe and Avon-Richardson Catchments	Enabling
NC1213.01.121 / A000008515G	VIF/CfoC	Enhancing the Kerang Ramsar Wetlands	Lower Loddon and Campaspe	Murray , Campaspe and Avon-Richardson Catchments	Asset
NC1213.01.150 / A000008515G	VIF/CfoC	Enhancing values of Gunbower Ramsar Site	Lower Loddon and Campaspe	Murray , Campaspe and Avon-Richardson Catchments	Asset
NC1213.01.149	VIF	Healthy Productive Irrigated Landscapes	Lower Loddon and Campaspe	Murray , Campaspe and Avon-Richardson Catchments	Enabling
NC1213.01.152 / A000008515G	VIF/CfoC	Northern Plains Conservation	Lower Loddon and Campaspe	Loddon and Avoca Catchments	Asset
	MDBA	The Living Murray Program - Gunbower	Lower Loddon and Campaspe	Murray , Campaspe and Avon-Richardson Catchments	Asset
OC12-00508	CfoC	Actions to protect and ecologically enhance the Moolort Plains Wetlands	Upper Loddon and Campaspe	Loddon and Avoca Catchments	Asset
A000008515G	CfoC	Box Gum Grassy Woodlands	Upper Loddon and Campaspe	Loddon and Avoca Catchments	Asset
	Other	Campaspe Box Gum Grassy Woodlands Project	Upper Loddon and Campaspe	Murray , Campaspe and Avon-Richardson Catchments	Asset
NC1213.02.154 / A000008515G	VIF/CfoC	Connecting Country	Upper Loddon and Campaspe	Loddon and Avoca Catchments	Asset
NC1213.02.153	VIF	Enhancing Upper Catchment Waterways	Upper Loddon and Campaspe	Loddon and Avoca Catchments	Asset
NC1213.02.155	VIF	Goldfields Threatened Species Project	Upper Loddon and Campaspe	Loddon and Avoca Catchments	Asset
A000008515G	CfoC	Kooyora Connections	Upper Loddon and Campaspe	Loddon and Avoca Catchments	Asset
NC1213.04.159	VIF	Permanent Protection and Stewardship	Upper Loddon and Campaspe	Loddon and Avoca Catchments	Enabling
NC1213.03.158	VIF	Improving the Health of Avoca Reach #7	Avoca Avon Richardson	Loddon and Avoca Catchments	Asset
NC1213.04.134	VIF	Administration of Statutory Functions	Regional	Floodplain Management	Obligatory
	Other	Carbon Farming Initiative Communications Program	Regional	Communications and Community Programs	Enabling
NC1213.04.166	VIF	Caring for the Campaspe	Regional	Murray , Campaspe and Avon-Richardson Catchments	Asset
NC1213.04.168	VIF	Developing Priorities for Investment	Regional	Corporate Knowledge, Strategy and Policy	Asset
NC1213.04.135	VIF	Environmental Water Reserve Officers	Regional	Murray , Campaspe and Avon-Richardson Catchments	Obligatory
NC1213.04.136	VIF	Farm Plan 21 - North Central Asset Protection	Regional	Loddon and Avoca Catchments	Enabling
A000008515G	CfoC	Farming for Sustainable Soils	Regional	Murray , Campaspe and Avon-Richardson Catchments	Enabling
NC1213.04.160	VIF	Loddon River Transition Project	Regional	Loddon and Avoca Catchments	Asset
	Other	NDDRA Flood Recovery	Regional	Loddon and Avoca Catchments	Asset
NC1213.04.165	VIF	North Central Regional Strategy for Healthy Rivers and Wetlands	Regional	Murray , Campaspe and Avon-Richardson Catchments	Obligatory
NC1213.04.161	VIF	North Central Waterwatch Program	Regional	Communications and Community Programs	Enabling
NC1213.04.167	VIF	Protecting and Enhancing Priority Wetlands	Regional	Murray , Campaspe and Avon-Richardson Catchments	Asset
VICLF06	CfoC	Reginal Landcare Facilitator	Regional	Communications and Community Programs	Enabling
NC1213.04.163	VIF	Regional Landcare Coordination	Regional	Communications and Community Programs	Enabling
NC1213.04.164	VIF	Reporting & Accounting for Salinity	Regional	Murray , Campaspe and Avon-Richardson Catchments	Obligatory
NC1213.04.133	VIF	River Health Maintenance	Regional	Loddon and Avoca Catchments	Obligatory
NC1213.04.162	VIF	Second Generation Landcare Grants	Regional	Communications and Community Programs	Enabling

Note: **Asset** = primary focus to protect and enhance the environmental values of spatially defined physical assets; **Enabling** = primary focus to create community capacity, engagement or extension services; **Obligatory** = legislated services.

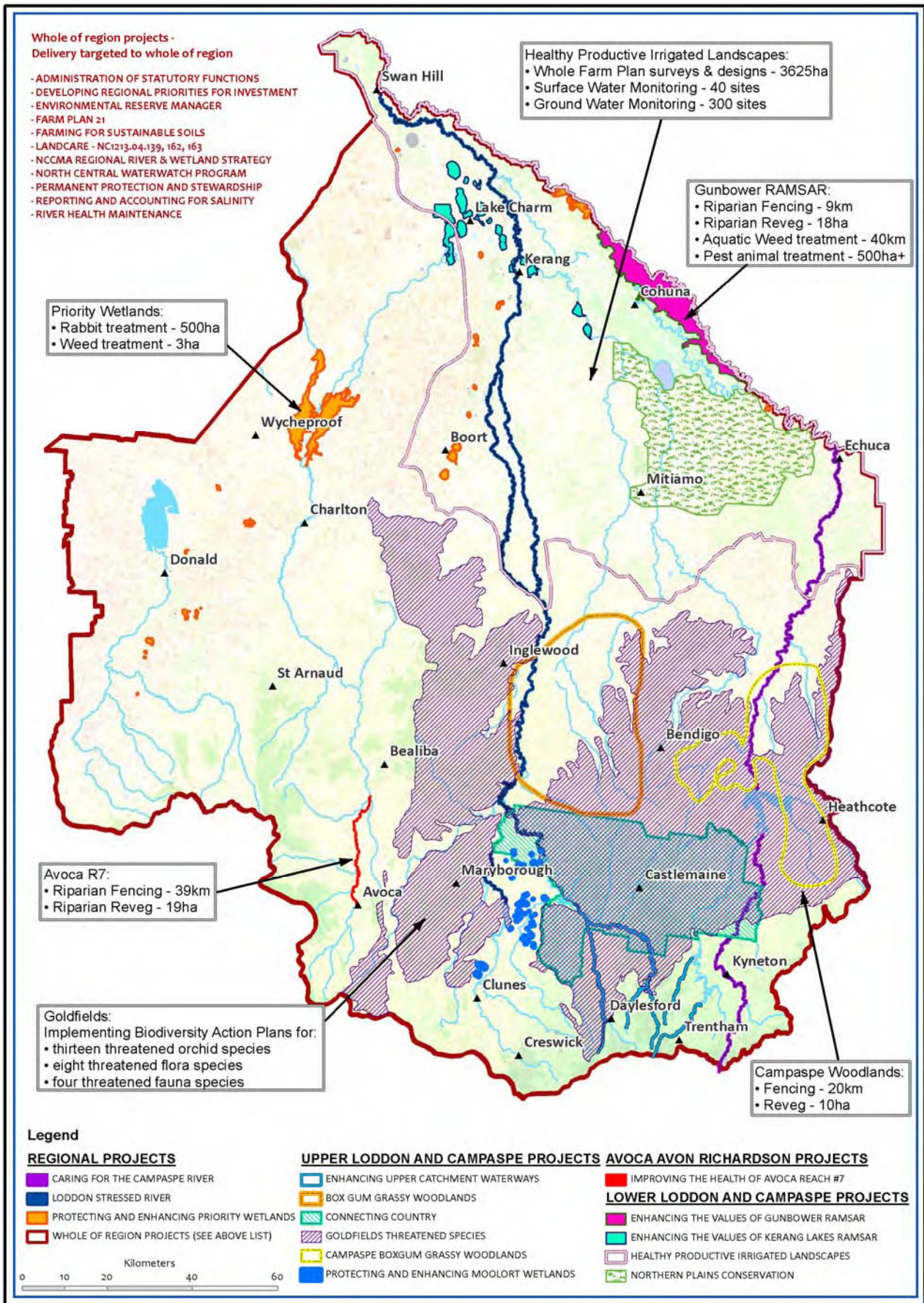


Figure 7: North Central CMA's Regional Investment Priorities for 2012-13

Risk management

The North Central CMA’s risk framework is consistent with the International Risk Management Standard AS/NZS ISO 31000:2009, as illustrated in Figure 8.

The North Central CMA Board and Executive team have undertaken a risk management process facilitated by

auditors AFS & Associates. Key risks associated with the achievement of the North Central CMA’s strategic priorities and related goals were identified and assessed.

The Authority maintains a risk register, and the audit committee has a standing item at its monthly meeting to review organisational risks and report as appropriate to the Board.

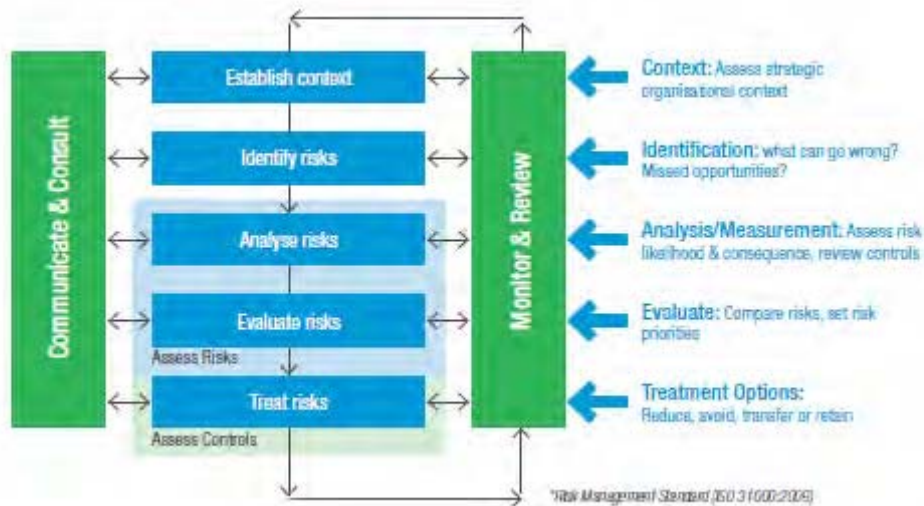


Figure 8: The International Risk Management Standard

The following table provides a summary of the North Central CMA’s approach to risk in key categories. The information is based on representations made by the North Central CMA Board and Executive team.

Table 3: Summary of Major Risks

Risk Description	Category	Strategy	Rating
Risk of inadequate funding	Strategic and Political	Actively contribute to government policy	H
Risk of personal significant injury	Occupational Health and Safety	Maintain a safe workplace	H
Risk of environmental impacts on North Central CMA operations	Operational	Adaptive management	H
Risk of inadequate information management	Information Management	Clearly communicated procedures	H
Risk of liability arising from North Central CMA activities	Operational	Training and clearly communicated procedures	H
Risk of North Central CMA becoming financially unviable	Financial Management	Diligent corporate governance and sustainable government practices	S
Risk of not meeting stakeholder expectations	Strategic & Political	Regular engagement and organisational performance monitoring	S
Risk of causing environmental damage	NRM	Diligent project supervision and monitoring	S

H = High S= Significant

Part C (1): Financial Statements

Compliance with Australian Accounting Standards

The North Central CMA prepares the annual general purpose financial report in compliance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the requirements of the *Financial Management Act 1994* and applicable Ministerial Directions.

Three year financial statements

While Victorian Government funding is expected to remain relatively constant, 2012-13 is expected to see a peak investment of nearly \$21m. This reflects the funding from various flood recovery initiatives.

In 2013-14 and 2014-15 current forecasts show that revenue and expenses will reduce to around \$15m. The North Central CMA will actively pursue additional investment targeting the new government/institutional investors, such as the Clean Energy Futures program through which the Authority has submitted a total of \$15m of project proposals to the Biodiversity Fund to span the full period of this Corporate Plan.

The North Central CMA expects a small operating surplus for the three forecasted years of this Corporate Plan as

we are positioned to deliver projects within each financial year of funding. This follows a surplus in 2010-11 and a deficit in 2011-12, due mainly to the timing of funding receipts.

Disaster recovery programs continue to be a considerable source of revenue with around 30 per cent of 2012-13 revenue attributed to 2011 flood event recovery programs. Implementation of these funding programs presented a challenge to the North Central CMA given the government's policy of not applying corporate charges to this revenue.

The estimated operating deficit in the Statement of Financial Performance will reduce cash assets to \$3.6m at 30 June 2012. The cash assets held by the North Central CMA will remain at 23 per cent of annual revenue through 2013-14 and 2014-15.

North Central CMA has taken a relatively conservative approach with respect to forecasting future revenue. The Authority believes this is appropriate given the current investment context with some programs finishing in 2011-12 (Natural Resources Investment Program -NRIP) and again in 2012-13 (Caring for our Country - CfoC), as well as some uncertainty around successive funding programs.



Caring for our natural resources

Disclosure of any corporate overheads allocated to projects

With the benefit of business improvements providing productivity gains, the North Central CMA will reduce its corporate charge to 10 per cent of revenue from 2012-13. In recent years a corporate service charge of 14 per cent was required to provide for the indirect resource costs associated with program delivery. This includes general business support and administrative functions, and access to organisational infrastructure.

Further to this, unless granted exemption, levy charges for direct support services will apply to the functions listed below. Applying these levies makes North Central CMA timesheet and billing functions more efficient, as it is not cost effective to track small time increments across the whole works program for these staff.

- Catchment Information: 1.25 per cent
Spatial and data systems, map production.
- Indigenous Engagement: 1.5 per cent
Compliance, Indigenous community engagement.
- Communications: 2.75 per cent
Marketing, event coordination, community engagement.

This costing model is consistent with the recommendations of the SCRIVCO report and the principle that projects should bear the true costs of delivery through the full lifecycle of the project.

Project costing principles

The North Central CMA applies the following principles in costing any project and determining the nature of works and action to be undertaken.

1. **Right scope:** agree with funding partners on the SMART goals considering right outcome, right intervention, right approach.
2. **Compliance:** meet all project governance requirements (Organisational Performance Panel, Audit Committee, Board Review, Standing Grants panel as required) including legislative and statutory obligations; applicable policies and best management practices (project planning incorporating MERI and Engagement); and stakeholder service level agreements.
3. **Value for money:** utilise decision support tools such as INFFER to qualify investment thresholds, opportunities for multiple outcomes, environmental benefits and demonstrate cost/benefit ratio.
4. **Enduring environmental outcomes:** the outcomes of the project must be sustainable for the benefit of future generations.
5. **Transparent costing:** in context of principles 1 to 4, project costing considers past experience and applicable productivity gains through innovation and improvements to deliver the most cost effective solutions for our stakeholders.

Part C (2) Financial Statements

Table 4: Planned programs for the forthcoming financial year

North Central CMA Planned Programs	2012-13 Forecast Income & Expenditure by Source of Funding							Total Revenue \$ 000's	Proposed Expenditure \$ 000's
	State Statutory \$ 000's	State Discretionary \$ 000's	Flood Recovery \$ 000's	C'wealth \$ 000's	Other \$ 000's	Interest \$ 000's			
Income									
<i>Statutory Operations: Governance</i>									
Board NRMC Chief Executive Officer & support Business Manager & support	1,068							1,068	1,398
Other Revenue					1,130		1,130	990	
Interest						200	200		
Total Statutory Operations	1,068			-	1,130	200	2,398	2,388	
<i>Strategy Programs:</i>									
Loddon & Avoca	-	2,867		1,412	-		4,279	4,279	
Murray Campaspe & Avon-Richardson	386	3,473		2,430	600		6,889	6,889	
Regional	831	839	5,600	166	-		7,436	7,436	
Total Strategy Programs	1,217	7,179	5,600	4,007	600	-	18,603	18,603	
Total North Central CMA	2,285	7,179	5,600	4,007	1,730	200	21,002	20,991	

Table 5: Five-Year Operating Statement

Actual 2010/11 \$ 000's	Statement of Financial Performance	Forecast Current Year 2011/12 \$ 000's	Forecast 2012/13 \$ 000's	Forecast 2013/14 \$ 000's	Forecast 2014/15 \$ 000's
	<i>Local</i>				
385	Interest	480	200	100	50
	Sundry Corporate Revenue	131	100	100	100
	Fee for Service		30	100	150
-	Business Development Projects	0	1,000	2,000	2,000
	<i>Government Grants</i>				
	<i>State</i>				
1,536	CM010-49 Corporate Funding	521	1,068	1,095	1,122
421	CW513-11 Water Smart Farms (VWT)	59			
1,302	CW513-12 Salinity Infrastructure	510	618	618	618
536	CW513-13 SIALM (OWOF)	555	1,134	1,134	1,134
1,173	CW514-22 Large Scale River Restoration (OWOF)	1,237			
205	CW514-25 Environmental Water Reserve Officers	211			
1,017	CW514-27 Healthy Waterway Program	1,025	657	657	657
353	CW514-28 Water Statutory Functions	475	597	597	597
	CW513- 33 On Ground Works Program		1,661	2,890	2,354
	CW514-34 Community Monitoring Program		141	216	216
	CW514-35 Environmental Water Reserve Officers		386	386	386
493	SG010-48 Second Generation Landcare	515	365	365	365
20	Weeds Management (WP010-35)	20			
73	Recreational Fishing Grants	62			
720	Flood employment Program	1,480			
3,432	Natural Resource Investment Program	2,071	2,400	0	0
-	LM010-61 Sustainable Land Management	149	110	100	100
-	Environmental Flows and Stressed Rivers	130			
285	Urban Levees Assessment	0			
62	Bushfire Recovery Funding	0			
3,677	Natural Disaster Funding	708	5,600	1,815	0
60	National Landcare Program	98	150	150	150
937	Regional Contribution	130			
-	Flood Response Funding	0			
	NECMA partnership		177	0	0
1,816	Other	1,572			
	<i>Commonwealth</i>				
3,958	Caring For Our Country	4,601	3,991	3,400	3,400
	MDBA	1,461	600	600	600
	CFI Communication Programme	15	17		
	Other	100			
22,461	Total Revenue	18,316	21,002	16,323	13,999
	Expenditure				
	Corporate & Statutory Operations				
145	Board	209	200	200	205
130	NRMC	155	150	150	155
462	Chief Executive Officer & support	436	420	420	425
556	Business Manager & support	660	628	625	637
918	Strategic/Business Planning, Monitoring & support	846	830	820	810
1,150	Other Statutory functions	1,044	1,020	1,000	1,000
(1,376)	Recovery from Strategy Programmes	(1,811)	(1,850)	(1,820)	(1,810)
	Business Development	0	990	1,740	1,740
	<i>Strategy Programs:</i>				
	Loddon & Avoca	10,169	4,279	3,555	3,349
16,357	Murray Campaspe & Avon-Richardson	8,498	6,889	5,723	5,392
	Regional	5,568	7,436	3,651	1,836
18,342	Total Expenditure	25,774	20,991	16,063	13,739
4,119	Operating Surplus (Deficit)	(7,458)	10	260	260

Table 6: Five-Year Statement of Cash Flows

Actual 2010/11 \$ 000's	Statement of Cash Flows	Forecast Current Year 2011/12 \$ 000's	Forecast * 2012/13 \$ 000's	Forecast * 2013/14 \$ 000's	Forecast * 2014/15 \$ 000's
	<u>Cash Flows from Operating Activities</u>				
	<u>Receipts:</u>				
	Local:				
385	Interest received	480	200	100	50
	Business Development Projects	-	1,000	2,000	2,000
-	Receipts from other sources	131	130	200	250
	Grants:				
18,118	Receipts from State	11,528	15,064	10,023	7,699
3,958	Receipts from Commonwealth	6,177	4,607	4,000	4,000
	<u>Payments:</u>				
(18,342)	Payments to suppliers and employees	(25,627)	(20,991)	(15,913)	(13,439)
4,119	Net cash provided by operation activities	(7,311)	10	410	560
	<u>Cash Flows from Investing Activities</u>				
(768)	Payments for purchase property, plant and equipment	(1,000)	(500)	(500)	(500)
213	Proceeds on disposal of property, plant and equipment	250	500	350	200
486	Movement in Debtors/Creditors	389	110	100	50
(69)	Net Cash used in investing activities	(361)	110	(50)	(250)
4,050	<u>Net increase (decrease) in cash held</u>	(7,672)	120	360	310
7,256	Cash at the beginning of the financial year	11,306	3,634	3,754	4,114
11,306	Cash at the end of the financial year	3,634	3,754	4,114	4,424

*Cash flows from Operating Activities are reflected on a gross basis (i.e. GST inclusive)

Table 7: Five-Year Balance Sheet

Actual 2010/11 \$ 000's	Statement of Financial Position	Forecast Current Year 2011/12 \$ 000's	Forecast 2012/13 \$ 000's	Forecast 2013/14 \$ 000's	Forecast 2014/15 \$ 000's
	Assets				
	<u>Current Assets</u>				
806	Cash	634	754	614	424
10,500	Term Deposits	3,000	3,000	3,500	4,000
1,413	Receivables	1,000	1,000	1,000	1,000
	<u>Non Current Assets</u>				
3,144	Fixed Assets	3,747	3,747	3,747	3,747
15,863	Total Assets	8,381	8,501	8,861	9,171
	Liabilities				
	<u>Current Liabilities</u>				
987	Accounts Payable	1,000	1,000	1,000	1,000
843	Accruals	750	750	750	750
862	Employee Provisions	900	950	1,000	1,050
	<u>Non Current Liabilities</u>				
122	Employee Provisions	140	200	250	250
2,814	Total Liabilities	2,790	2,900	3,000	3,050
13,049	Net Assets	5,591	5,601	5,861	6,121
	Equity				
229	Contributed Capital - 1/7/1997	229	229	229	229
8,526	Contributed Capital - Projects Bal	11,935	4,477	4,487	4,747
885	Asset Revaluation	885	885	885	885
3,409	Accumulated Surplus	(7,458)	10	260	260
13,049	Total Equity	5,591	5,601	5,861	6,121

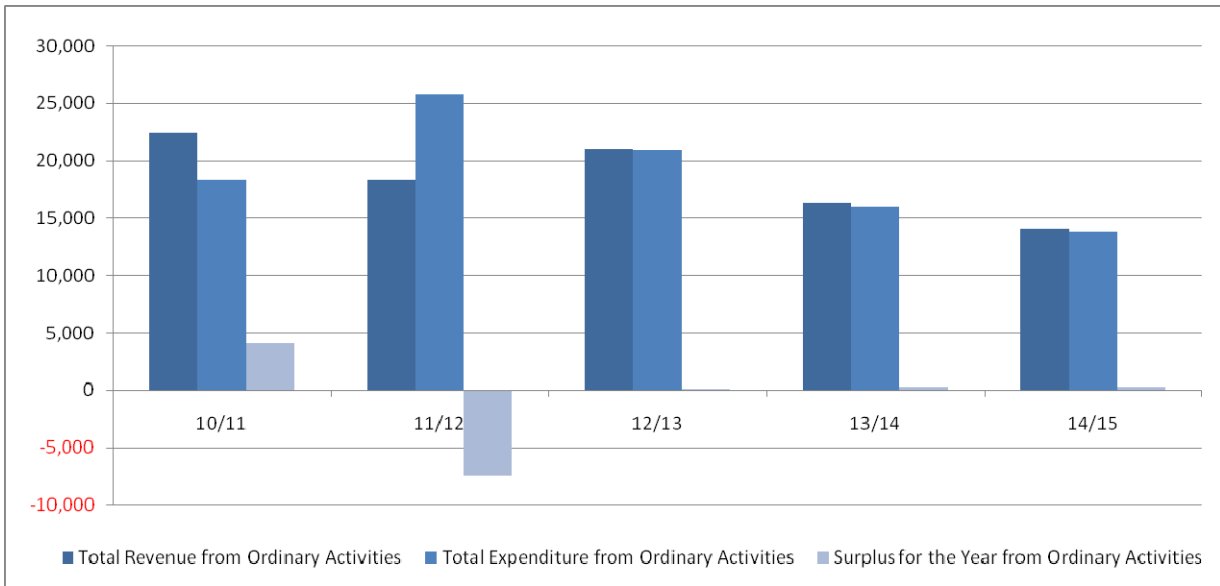


Figure 9: Summary of Financial Results (\$ 000's)

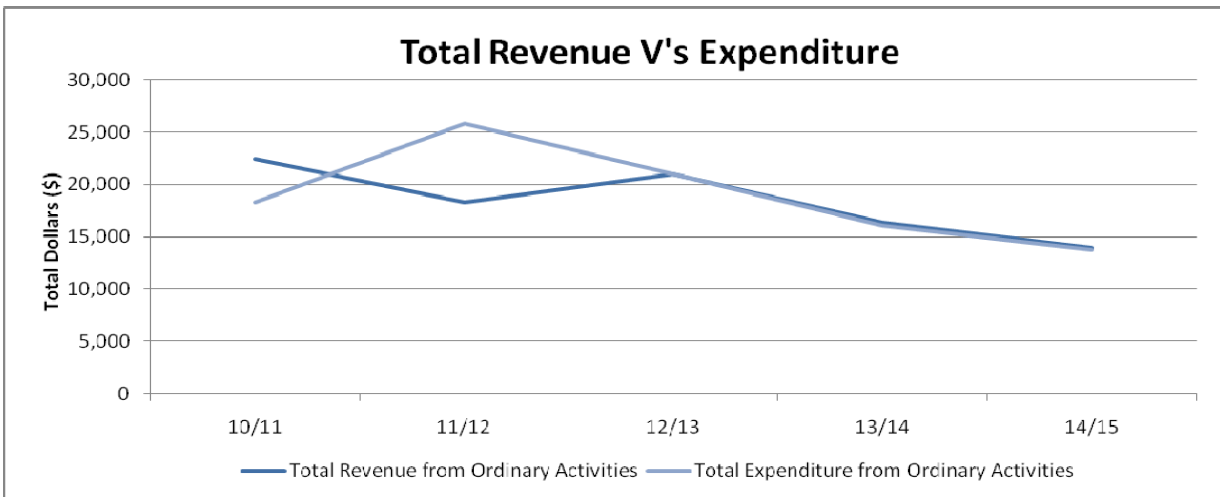


Figure 10: Total Revenue vs Expenditure (\$ 000's)

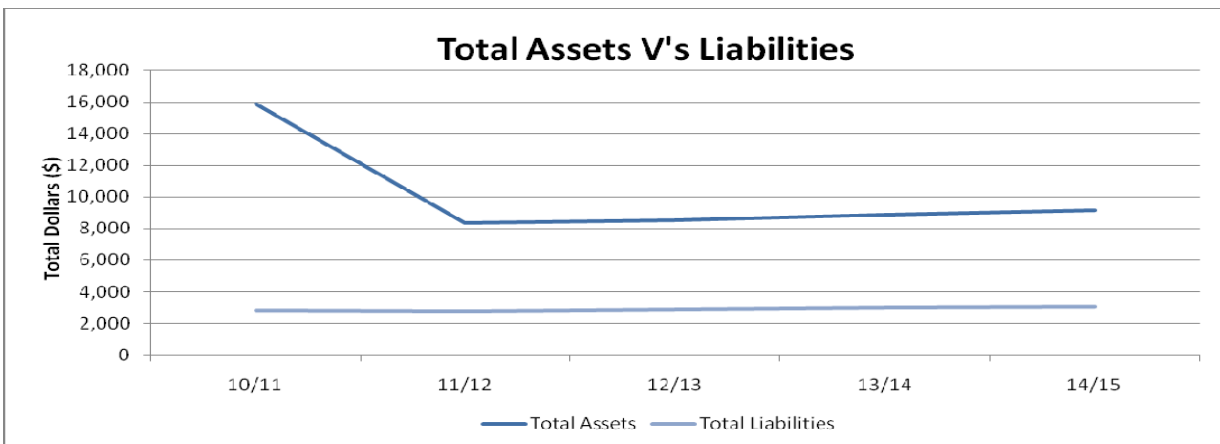


Figure 11: Total Assets vs Liabilities (\$ 000's)

Table 8: Forecast Financial Performance Measures for the North Central CMA

Performance Measure	2011/12	2012/13	2013/14	2014/15
Governance Expenditure vs Total CMA Expenditure	13%	15%	20%	24%
Program Expenditure vs Total CMA Expenditure	94%	89%	80%	77%
Governance Expenditure vs Total Corporate Expenditure	44%	43%	43%	44%

Part C (3) Cost Recovery

North Central CMA is currently investigating the opportunity to develop a range of services available to communities on a 'fee for service' basis in accordance with the Cost Recovery Guidelines issued by the Department of Treasury and Finance.

It is expected that this will be introduced in 2013/4 within our Statutory Functions program. Initial services offered on a fee recovery basis could include:

1. Works on waterway permits
2. Flood level advice.





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